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To: Admiral F. J. Horne, USNR,
Vice Chief of Naval Operations.
From: Captain W. D. Puleston, USN(Ret.)
Subject: Post-War Organization of Naval Intelligence.

Reference: My letter to you of 6 April 1945, commenting on proposal of Brigadier General Donovan, U.S.S.

1. Since reference was prepared, the atomic bomb has been used and the President has announced that the State Department will take over some functions of O.S.S., and the War Department some others. It is the apparent intention to establish a Central Intelligence Agency under the direction and supervision of the State Department. I will repeat the reasons given in reference for believing the Central Intelligence Agency should not be headed by the State Department. Officials of the State Department cannot be depended upon to deal as representatives of a coordinate branch of the Government with officials of the Army and Navy. State Department officials are less than frank, and so insistent on their prerogatives that they will not be content with being a member of a team - they will demand to be the captain. Therefore, I think every effort should be made to establish a Central Intelligence Agency under the Office of the President.

2. There is another and perhaps more important reason why the Central Intelligence Agency should be directly under the White House. Only the President can make the final decision involving the armed forces of the country; he alone can make sure that the armed forces are prepared to support by force, American foreign policies when diplomacy fails, and the final responsibility for failing to do this lies on the President and the President alone. He cannot evade this responsibility by blaming any of his assistants. Heretofore the State Department has always had the final word with the President. The State Department on several occasions in our recent history has not hesitated to make decisions which brought the country to the brink of war without giving the Navy Department a chance to make proper dispositions for war. For example, in 1913 in one of the crises with Japan when the Navy Department wished to recall two armored cruisers from the Mediterranean, the State Department prevented the Navy Department from moving these ships, meanwhile, Japan was concentrating her fleet. Other similar examples could be cited.

3. This Central Intelligence Agency in the White House should be directed by a Chief personally selected by the President, and in whom the President has the utmost confidence. He should have

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a small evaluating staff drawn from officials of the State, War, and Navy Intelligence divisions. The primary functions of the Central Intelligence Agency would be evaluation on the highest level of political, economic, military and naval information previously evaluated from the own point of view by the intelligence chiefs of the State, War and Navy Departments. In this way the Chief of the Central Intelligence Agency would make the final simultaneous evaluation of the political, military, and naval factors of a particular situation, and this evaluation would be placed before the President of the United States without last minute alterations from the State Department.

4. In addition to its evaluation functions, the Central Intelligence Agency should be permitted to obtain special information needed to confirm or disprove prior evaluations and it should have a few highly efficient agents of its own for this purpose, and be permitted to employ directly agents of the State, War and Navy Departments. It should be reemphasized that the Central Agency is not primarily a collecting agency of the Government.

5. The State, War and Navy Departments would administer and control their own intelligence services. This is absolutely essential because it is necessary that the heads of these departments who are responsible to the President for the readiness of their departments for war shall have control of their own intelligence gathering agencies. Only the Navy Department knows the information it needs: the same is true of the War Department.

Furthermore, the High Command of the Navy and the Bureau of Personnel will have to recognize that commissioned officers of the Navy can not be made intelligence officers merely by assigning them to the Office of Naval Intelligence. Training and continuity of service is essential; further, outstanding intelligence officers must be promoted whether they have or have not completed a prescribed number of years as watch officers or at sea. During the present war the promotion of one of the most valuable intelligence officers was delayed for some administrative reason after he had contributed largely to the victory at Midway Islands.

6. In the Central Intelligence Agencies, the Chiefs of the intelligence groups of the State, War, and Navy Departments would be put on a parity, and would be permitted to give the reasons for their opinions directly to the Chief of the Central Intelligence Agency who would evaluate them and report to the President. Even this procedure will not be effective unless the President of the United States gives equal weight to the recommendations of the State, War, and Navy Departments on the action to be taken as a result of the intelligence received. However that is the personal responsibility of the President and no regulations or procedures can bind the Chief Executive. But it is the duty of the Secretary of the Navy or the Chief of Naval Operations to insist that the President get the naval estimate of the situation directly, and not as interpreted by the Secretary of State.

7. There was abundant information available indicating the Japanese intentions in the first week of December, 1941. It was the failure to act upon the intelligence that caused the fiasco. A similar failure to act upon the receipt of intelligence will be disastrous in

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the next war. The atomic bomb alone will make it necessary to strike first rather than permit the enemy to hit the first blow. Unless the government sets up a Central Intelligence Agency and the State Department realizes that it can no longer temporize in periods of crises, and hold the Army and Navy in leash, there is little use to maintain either an intelligence service or a Navy, because the enemy can, by a surprise attack in the future, lay waste American industrial cities and probably deal an irreparable blow to our fleet.

8. Assuming a proper Central Intelligence Agency and a State, War, and Navy Intelligence Service, it will require their concerted endeavors to obtain information of possible enemy action in time to strike first or to neutralize the information of possible enemy action in time to strike first or to neutralize the enemy's blow. Fortunately the United States is in possession of the atomic bomb at present and has a small lead on other nations. The problem then is to retain this lead and to establish secret agents abroad who will endeavor to ascertain the rate of progress of foreign nations in developing any new weapons and their intentions, friendly or hostile, towards the United States.

9. The atomic bomb may be a weapon without a defense; if, of, it is the first in history. The Navy must proceed on the assumption that some form of defense against the bomb can be found, which requires that Naval Intelligence establish a system which will obtain the earliest indications of the improvement of the atomic bomb and other weapons abroad and some way of getting definite clues to the hostile intentions of possible enemies. This is not an easy task but Naval Intelligence has met other equally difficult requirements which appeared impossible.

10. Simultaneously, steps must be taken to ascertain as soon as possible the counter-measures that can be taken to meet a possible attack of atomic bombs launched against the United States. This task should be undertaken by the scientists and Army and Navy officials who developed the atomic bomb. Obviously, if atomic bombs launched from other continents against the United States could be exploded at sea or diverted, so that they would not land in the United States, a great deal of their threat would be removed.

11. Simultaneously, the naval intelligence service should plan to penetrate into the laboratories and factories of all potential producers of atomic bombs to ascertain if other nations are developing them. Therefore it will be necessary to have agents in small States in which potential enemy scientists might be domiciled.

12. The following recommendations are made on the assumption that secrecy concerning the production of the atomic bomb can be maintained for at least two or three years in which time the United States should be able to determine what counter-measures are possible. If counter-measures cannot be developed, the United States will confront a difficult dilemma. If information of the atomic bomb is not shared with members of the United Nations, the United States will be open to the charge that it has no confidence in their good faith. If it does share this information with member states of the United Nations it will be under the necessity of being on guard lest for some reason one or more members of this organization decide to launch atomic bombs against American cities.

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13. In other contingency the scientists in the United States must seek to find the defense to atomic bombs and other new weapons and the intelligence service of the Army and Navy should redouble their efforts to penetrate into the scientific societies, laboratories, and factories abroad that could possibly produce the atomic bomb to keep abreast of foreign developments.

14. Passing from generalities, the Germans had made much progress towards producing an atomic bomb before they surrendered. Unquestionably the Russian armies in Germany have already in their possession numerous German scientists whom they could put to work at once on this problem. If the secret of the bomb is not shared with Russia, the Soviet Government will put these scientists to work, and German scientists cooperating with Soviet scientists will in time prepare atomic bombs.

15. The first development of an atomic bomb maybe expected to take place in Russia, and if for any reason, the relations between Russia and the United States should become strained, it would be a great temptation for the Russians to use atomic bombs carried by improved planes or controlled V-Bombers against our major cities. If the Russians could manufacture atomic bombs, they have planes which could drop them on cities of the United States, or they could be carried in suitcases to industrial cities or strategic points and exploded simultaneously by time fuses.

16. Russia is the country that could most probably develop in the near future atomic bombs and the planes to carry them. Furthermore, it would be more difficult to retaliate against Russia on account of its vast extent, therefore, we should attempt to meet the problem of Russia first. The necessity of knowing whether or not Russia is manufacturing atomic bombs is of such importance that immediate measures should be taken to ascertain this fact. Fortunately even if the Russians attempted the manufacture of atomic bombs with all the information they now have available, they probably could not get into production for three to five years. We have that much time.

17. There is only one way to penetrate Russia and it is so difficult that on first considerations it may seem impossible. Some means must be developed of introducing into Russia and keeping in Russia young American scientists who will be willing to live in Russia indefinitely and gradually work their way into the confidence of the Russian scientific societies. It is possible that some young Polish, Latvian, Finnish, Lithuanian, or German, scientists would hate the Russians enough to join an American effort to keep watch on Russian scientists.

A very small group of foreign scientists could be introduced into Russia; or if it were possible to gain the services of scientists from these countries, who have been more or less kidnapped and taken into Russia to collaborate in the development of the atomic bomb, our task would be simplified; but, if we could find some Americans of Russian descent, some white Russians, for example, who hated the present Russian regime, and could be shown that the United States did not desire to use this atomic bomb against Russia but only desired to be warned at any time of attack by Russia, the services of

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scientists might be enlisted. The argument that will appeal to a civilized scientist is that he is not being asked to spy upon Russia in order to destroy Russia, but with a view of preventing Russia from destroying the United States.

18. The briefest consideration will show how difficult the penetration of Russia, or any other country, will be. Nevertheless the United States must attempt this task for it either has to know what is going on in Russia, or sometime within the next five to fifteen years, during a period of strained relations with Russia, its lack of knowledge will compell it to launch atomic bombs at Russia just to ensure that the Soviet Government does not launch them at the United States.

19. In addition to Russia, there are other nations which might wish to destroy or cripple the United States. It would even be possible, but scarcely probable, for some underground association in Germany or some German scientists working in Japan, or even China, to develop some form of missile weapon, plus atomic bombs, and it is not unthinkable that relations between Great Britain and the United States might some day get to the point where the British government might be tempted to employ atomic bombs against the United States. To a certain degree they will have to be watched, but the present situation demands that attempts should be made to solve the problem of an intelligence service in Russia first.

20. All departments of the United States government, including the Army and Navy, have habitually neglected foreign intelligence. The atomic bomb will compel the United States government to revise its attitude or to live in constant jeopardy. Americans regard themselves as altruistic and as Good Neighbors to all the world, being helpful even to Germany and Japan; other nations do not entertain the same view and we cannot depend upon the continual friendship of the world. Our relative power and prosperity is more apt to excite jealousy than friendship. It is a far cry from latent hostility to the launching of atomic bombs, but if the Russians, or any other nations, get the atomic bomb and have planes enough to send them over American cities, the temptation to do so during a period of tension (and the relative ease with which it could be done) might prevail.

21. Not only must Naval Intelligence be reinforced with scientists but these agents must be domiciled abroad for years with means of communicating at least once of warning measures. This means that funds for intelligence agents must be increased and must of course be expended at the discretion of the Directors of Naval Intelligence. It will require the closest liaison between the intelligence agents of the War Department and the Navy Department and a joint intelligence plan should be established for the purpose.

22. Depending upon the attitude of the State Department, it could be taken more or less into the confidence of the military and naval intelligence service, but, if the State Department, as it did prior to the 1939 War, opposes efforts of the War and Navy Departments to obtain foreign intelligence, the matter will either have to be taken to the President for decision, or the work will have to be undertaken by the War and Navy Departments and the State Department not informed.

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